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Mexico

FAIRS Product Specific

New Estimated Prices for Softwood Plywood

2001

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Report Highlights:

On June 6, 2001, Mexico's Secretariat of Treasury (SHCP) announced in the *Diario Oficial* (Federal Register) two different estimated prices for imported softwood plywood. These new estimated prices take effect June 7, 2001.

Includes PSD changes: No
Includes Trade Matrix: No
Unscheduled Report
Mexico [MX1], MX

Introduction: This report comments on the resolution that contains information about the Customs cash account system on products like softwood plywood, subject to an estimated price system, published in Mexico's "*Diario Oficial*" (Federal Register) on June 6, 2001.

Disclaimer: This summary is based on a *cursory* review of the subject announcement and therefore should not, under any circumstances, be viewed as a definitive reading of the regulation in question, or of its implications for U.S. agricultural export trade interests. In the event of a discrepancy or discrepancies between this summary and the complete regulation or announcement as published in Spanish, the latter shall prevail.

Title: Resolution which contains the annex that establishes a Custom cash account system to guarantee the payment of duties on merchandise subject to estimated prices by the Secretariat of Treasury (SHCP), published on February 28, 1994.

FAS/Mexico's Executive Summary: Wood products importers in Mexico had repeatedly requested that SHCP provide different estimated prices for plywood based on quality grades. Different quality grades had the same estimated price. The SHCP agreed, and finally announced on June 6, 2001, two different estimated prices for softwood plywood (H.S. 4412.19.02) based on quality.

H.S. CODE	PRODUCT	ESTIMATED PRICE
4412.19.02	Plywood, Coniferous	
	a) Plywood quality "A" and "B" and its combinations (used mainly for furniture)	US\$0.600/ kilo
	b) Plywood quality "C" and lower qualities, and its combinations (building grade plywood)	US\$0.410/ kilo

Important Dates

1. **Publication Date:** June 6, 2001
2. **Effective Date:** June 7, 2001

Products Affected: Softwood Plywood

Agency in Charge: Secretariat of Treasury

Additional Information:

In response to some Mexican producers' allegations of under invoicing on imports of softwood plywood (H.S. 4412.19.02), the SHCP established a reference price (US\$ 0.60 per kilo) for this product. SHCP published this announcement in the "*Diario Oficial*" on July 12, 1999. The National Plywood Manufacturers Association (ANAFATA) has stated that the estimated price

does not attempt to obstruct Mexican softwood imports, but only control unfair practices. Moreover, the Association recognizes that Mexico is clearly a net importer of plywood. The manufacturers indicated that this reference price could be reduced if U.S. exporters demonstrate that it is above the average price for all Mexican imports.

In 1994, SHCP created the concept of "estimated prices" which was intended mainly for goods that were being imported at a price below the prevailing market prices -- under invoicing. These prices, as implied by their name, are "estimated" prices. SHCP, using price lists, data from Mexican producers, as well as other sources of information, derives an "estimated" price for the selected products. Importers of certain wood products will have to put a deposit against the difference of the duty between the estimated price and the "export value" (including transportation costs and broker's fees) if the latter is lower.

This action follows SCHP's September 14, 2000, announcement in the *Diario Oficial* (Mexico's Federal Register) the implementation of a Customs Cash Account system, that went into effective October 1, 2000. This system requires importers to deposit in a bank account 100 percent of the difference between the actual invoice value (including transportation costs and broker's fees) and the value of the shipment based on a predetermined "estimated" price (reference price). Wine, beer, pasta, poultry in brine, rice and apples are other products affected by the estimated price scheme and consequently the Customs Cash Account system. For additional information on the Customs Cash Account system see report MX0156.

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FAS Mexico Web Site: We are available at <http://www.atomexico.gob.mx> or visit our headquarter's home page at <http://www.fas.usda.gov> for a complete selection of FAS' worldwide agricultural reporting.

Useful Mexican Web Sites: Mexico's equivalent of the Department of Agriculture (SAGARPA) can be found at www.sagar.gob.mx and Mexico's equivalent of the Department of Commerce (SE) can be found at www.economia.gob.mx These web sites are mentioned for the readers' convenience but USDA does NOT in any way endorse, guarantee the accuracy of, or necessarily concur with the information contained on the mentioned sites.